

AMENDED IN SENATE MAY 5, 2010  
AMENDED IN SENATE APRIL 20, 2010  
AMENDED IN SENATE MARCH 25, 2010

**SENATE BILL**

**No. 1260**

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**Introduced by Senator Yee**  
*(Principal coauthor: Assembly Member Hagman)*

February 19, 2010

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An act to amend Section 23396.1 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1260, as amended, Yee. Alcoholic beverages: lodging establishments.

The Alcoholic Beverage Control Act authorizes motels and hotels having an on-sale general license for restricted service lodging establishments, as described, to sell or furnish alcoholic beverages for consumption on the premises by specified means.

This bill would extend that authorization to allow those motels and hotels having an on-sale general license for restricted service lodging establishments to sell beer and wine for consumption on the premises, where the beer or wine is sold in a food sale area, as defined, located within the lodging establishment.

The Alcoholic Beverage Control Act provides that a violation of any of its provisions for which another penalty or punishment is not specifically provided is a misdemeanor. By expanding the scope of an existing crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 23396.1 of the Business and Professions  
2 Code is amended to read:

3 23396.1. (a) An on-sale general license for restricted service  
4 lodging establishments authorizes those hotels and motels described  
5 in subdivision (b) to sell alcoholic beverages for consumption on  
6 the premises only as follows:

7 (1) By means of controlled access alcoholic beverage cabinets  
8 located in guestrooms, subject to the conditions specified in Section  
9 23355.2.

10 (2) Under circumstances where the uniform cost of *the alcoholic*  
11 *beverages is included in the price of the overnight transient*  
12 *occupancy accommodation, whether or not separately stated.*

13 (3) Beer and wine in sealed containers to the licensee's transient  
14 guests and their invitees from a food sale area as defined in  
15 subdivision (c) located within the lodging establishment itself. the  
16 alcoholic beverages is included in the price of the overnight  
17 transient occupancy accommodation, whether or not separately  
18 stated.

19 (b) For purposes of this division, a "restricted service lodging  
20 establishment" is a hotel or motel, within the meaning of  
21 subdivision (f) of Section 23355.2, which meets all of the following  
22 conditions:

23 (1) It does not operate a bona fide eating place or other public  
24 premise.

25 (2) It has at least 10 guestroom accommodations.

26 (3) It does not derive more than 5 percent of its total gross  
27 annual revenues from sales of alcoholic beverages.

28 (c) "Food sale area" means a food facility, within the meaning  
29 of Section 113789 of the Health and Safety Code, that routinely  
30 offers for sale, throughout the area's normal hours of operation

1 each day to all of the lodging establishment's transient guests and  
2 their invitees, primarily items like prepackaged sandwiches, salads,  
3 snacks, candy, dairy products, water, soft drinks, and other  
4 nonalcoholic beverages in bottles or cans, and similar food items.  
5 The "food sale area" may also offer for sale various items such as  
6 health and beauty aids, cosmetics, nonprescription drugs, film,  
7 batteries, and similar sundries.

8 (d) A premises licensed pursuant to this section shall not be  
9 authorized to sell or furnish alcoholic beverages to the general  
10 public, shall not be entitled to a caterer's permit pursuant to Section  
11 23399, and shall not be entitled to exercise any off-sale privileges  
12 pursuant to Section 23401. The provisions of Article 2  
13 (commencing with Section 23815) of Chapter 5 do not apply to  
14 the issuance of on-sale general licenses for restricted service  
15 lodging establishments. An on-sale general restricted service  
16 lodging establishment license may be transferred to another person  
17 but not to another location. A licensee specified in this section  
18 shall purchase no alcoholic beverages for sale in this state other  
19 than from a wholesaler or winegrower licensee.

20 (e) An applicant for an original on-sale general license for  
21 restricted service lodging establishments shall, at the time of filing  
22 the application for the license, accompany the application with a  
23 fee of six thousand dollars (\$6,000). The annual renewal fee for a  
24 license issued pursuant to this section shall be the same as the  
25 applicable annual renewal fee for an on-sale general license.

26 SEC. 2. No reimbursement is required by this act pursuant to  
27 Section 6 of Article XIII B of the California Constitution because  
28 the only costs that may be incurred by a local agency or school  
29 district will be incurred because this act creates a new crime or  
30 infraction, eliminates a crime or infraction, or changes the penalty  
31 for a crime or infraction, within the meaning of Section 17556 of  
32 the Government Code, or changes the definition of a crime within  
33 the meaning of Section 6 of Article XIII B of the California  
34 Constitution.